

SENATE BILL REPORT

SB 6396

As Reported By Senate Committee On:
Higher Education, February 5, 1998
Ways & Means, February 10, 1998

Title: An act relating to the Washington center for real estate research.

Brief Description: Creating the Washington center for real estate research.

Sponsors: Senators Wood, Kohl, Winsley, Haugen, Prince, Bauer and West.

Brief History:

Committee Activity: Higher Education: 1/27/98, 2/5/98 [DPS-WM].
Ways & Means: 2/10/98 [DPS(HIE)].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: That Substitute Senate Bill No. 6396 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Wood, Chair; Winsley, Vice Chair; Bauer, Hale, Kohl, Patterson, Prince, B. Sheldon and West.

Staff: Jean Six (786-7423)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 6396 as recommended by Committee on Higher Education be substituted therefor, and the substitute bill do pass.

Signed by Senators West, Chair; Strannigan, Vice Chair; Bauer, Fraser, Hochstatter, Kohl, Long, Loveland, McDonald, Rossi, Schow, B. Sheldon, Snyder, Spanel and Winsley.

Staff: Michael Groesch (786-7434)

Background: The Washington Center for Real Estate Research was created at Washington State University (WSU) in 1989 with funding provided by a series of grants from a real estate education account administered by the Department of Licensing. The education account's resources are derived from interest earned on real estate brokers' trust accounts.

The combination of lower interest rates and the decision made by an increasing number of brokers not to maintain trust accounts reduces the available funding.

Summary of Substitute Bill: The Washington Center for Real Estate Research is established, to be located in the College of Business and Economics at WSU.

The center is financed by a fee of \$10 to be assessed on each real estate broker, associate broker, and sales person original license and renewal license, including inactive renewals. The center may charge for its publications, may receive gifts and grants, and may engage in contract work for both public and private clients.

The Washington Center for Real Estate Research account is created in the custody of the state Treasurer. The account is subject to allotment procedures under Chapter 43.88 RCW but an appropriation is not required for expenditure.

Substitute Bill Compared to Original Bill: The fee will be collected on all renewal licenses with an expiration date after June 30, 1998. The original bill was not clear.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For (Higher Education): The fund balance in the real estate education account is declining. After looking around the country at other similar centers, we decided to model our funding mechanism after the program at Texas A&M, though with a smaller fee. Students who work in the center are afforded hands on real estate experience, the only such opportunity in the Northwest. The board is in full support of the bill. The center's basic costs will be covered by the fee, but we will continue writing grants. Licensees will be provided with significant information and assistance. DOL suggests a technical amendment that is supported by realtors.

Testimony Against (Higher Education): None.

Testified (Higher Education): PRO: Glen Hudson, WA Association of Realtors; Gale Sellenberger, Dean, College of Economic, WSU; Glenn Crellan, Director, WA Center for Real Estate Research, WSU; Syd Beckett, DOL.

Testimony For (Ways & Means): This bill will allow the continuation of the partnership between the industry and Washington State University. The program and the fee are scheduled for review prior to June 2006. The fee is \$10 per new license application or renewal. Licenses are renewed every two years; consequently, the annual cost is \$5 per year.

Testimony Against (Ways & Means): None.

Testified (Ways & Means): PRO: Glen Hudson, WA Association of Realtors; Syd Beckett, DOL; Larry Ganders, Government Relations, WSU.